



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

September 5, 2017

Limited Internal Control and Compliance Review Management Report

Beverly Limbaugh
Mississippi State Board of Optometry
P.O. Box 12370
Jackson, MS 39236-2370

Dear Ms. Limbaugh:

Enclosed for your review are the Limited Internal Control and Compliance Review Findings for the Mississippi State Board of Optometry for the Fiscal Year 2016. In these findings, the Auditor's Office recommends the Mississippi State Board of Optometry:

1. Strengthen controls over board minutes;
2. Deposit funds to the agency's bank account promptly and transfer funds to the state treasury timely; and,
3. Ensure bank account information is submitted annually to the state treasury.

Please review the recommendations and submit a plan to implement them by September 19, 2017. The enclosed findings contain more information about our recommendations.

During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

This report is intended solely for the information and use of management, Members of the Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendations enable the Mississippi State Board of Optometry to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi State Board of Optometry throughout the audit. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in black ink, reading "Stephanie C. Palmertree".

Stephanie C. Palmertree, CPA, CGMA
Director, Financial and Compliance Audit
Enclosures

The Office of the State Auditor has completed its limited internal control and compliance review of the Mississippi State Board of Optometry for the year ended June 30, 2016. The Office of the State Auditor's staff members participating in this engagement included Thomas Wirt, CPA, and Carrie Middleton.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. Also, our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

In performing our review, we noted a certain matter involving internal control over financial reporting and instances of noncompliance that require the attention of management. These matters are noted under the headings **OTHER CONTROL DEFICIENCY** and **INSTANCES OF NONCOMPLIANCE WITH STATE LAW**. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

OTHER CONTROL DEFICIENCY

Finding: Controls over Minutes of Board Meetings Should Be Strengthened

Executive Summary: The official records of the meetings of the Mississippi State Board of Optometry are not signed as formally authorized by the board. Board minutes should be signed by a designated official to ensure actions of the board are accurately and properly documented.

Recommendation: We recommend the Mississippi State Board of Optometry ensure all board minutes are signed by a designated official to document the approval of the minutes as the official record of board actions.

Finding Detail: During our review of the board minutes maintained by the Mississippi State Board of Optometry for meetings dated from January of 2015 through January of 2017, we found that none of the minutes were signed by a designated official adopting the minutes as official records.

Good internal controls dictate a record of all board actions be maintained and signed by a board member, preferably the board chairman, to document approval as the official record of board actions. Lack of formal approval of board minutes as denoted by the signature of a designated official could result in inaccurate information in the board minutes made available to the public.

INSTANCES OF NONCOMPLIANCE WITH STATE LAW

Finding: Funds Should Be Deposited Promptly and Transferred Timely to the State Treasury

Executive Summary: Multiple instances were noted in which checks received at the agency were not deposited timely into the agency's clearing bank account. In addition, transfers from the agency's bank account to the state treasury were not made timely in accordance with state law.

Recommendation: We recommend the Mississippi State Board of Optometry ensure collections are deposited into the agency's clearing account promptly upon receipt and transfers to the state treasury are made timely in compliance with state law.

Finding Detail: During our review of 231 checks collected by the Mississippi State Board of Optometry during fiscal year 2016, we noted 147, or 64 percent, were not deposited into the agency's clearing bank account timely. The range of time from receipt at the agency until deposit to the bank account was approximately four to 18 business days. In addition, we noted 153 checks of the 231 tested, or 66 percent, were not transferred to the state treasury timely after deposited into the agency's clearing bank account. The range of time from deposit into the agency bank account until transferred to the state treasury ranged up to 10 business days.

Good internal controls dictate cash receipts should be deposited into the agency's clearing account promptly to reduce the likelihood of loss or theft. In addition, section 7-9-21, Miss. Code Ann. (1972), requires agencies to deposit funds with the state treasury by the end of the next business day following the date the funds are collected. The untimely deposit and transfer of funds may result in the loss of investment earnings and increase the risk of theft and/or misplacement of funds while held at the agency.

Finding: Agency Should Submit Bank Account Information to the State Treasurer in Compliance with State Law

Executive Summary: The agency did not submit a Public Depositors Annual Report to the State Treasurer for fiscal year 2016. This annual report is used by the State Treasurer to ensure public funds held by all state agencies are properly collateralized in accordance with state law.

Recommendation: We recommend the Mississippi State Board of Optometry submit the Public Depositors Annual Report to the State Treasurer in a timely manner with accurate bank account information to ensure public funds are adequately collateralized.

Finding Detail: During our review of the Mississippi State Board of Optometry's clearing bank account, we noted the agency did not submit a Public Depositors Annual Report for fiscal year 2016 to the Office of the State Treasurer.

Section 27-105-5(6)(b), Miss. Code Ann. (1972) requires a public depositor to notify the Treasury, no later than thirty days after the end of the fiscal year, of its bank accounts that it has with a qualified public depository, including the balance in the accounts as of the fiscal year end. Failure to submit the Public Depositors Annual Report could result in the Treasury not having information necessary to determine proper collateralization of public funds.

End of Report